

**Hartford Financial Services Group  
Business Performance Award & Individual Performance Award  
Performance Period: January 1, 2008 – December 31, 2008**

**1. Objective.**

The Business Performance Award (BPA) and Individual Performance Award (IPA) is an annual incentive Plan administered by The Hartford to provide eligible employees with the opportunity to participate in the success of the Company and to also recognize employees who have consistently demonstrated exceptional performance. Individual payments for the Plan are distributed at management discretion based on individual performance as measured through the Company's established performance assessment process. BPA and IPA awards are fully discretionary.

**2. Participants.**

Participation in this program is limited to regular full-time and part-time employees (excluding Hartemps and interns) in tiers 9 – 12 within P&C, Corporate and Life who are not participating in any other sales or customized incentive plans.

**3. Performance Measurement Period.**

The Performance Period for both the BPA and IPA awards follows the calendar year, January 1<sup>st</sup> through December 31<sup>st</sup>.

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#### 4. Award Funding and Eligibility.

Table 1 outlines the effect of employment status or other events on the funding and eligibility of participants in BPA/IPA.

**TABLE 1**

<b>Reason</b>	<b>Eligibility</b>	<b>Funding</b>
New Hire (During the Performance Period)	Eligible	Included
Voluntary resignation or termination for cause prior to payout date	Not Eligible	Not Included
Job Elimination (Employee works through notice period if requested by manager)	Eligible	Included
Death	Eligible	Included
Retirement	Eligible	Included
Transfers	Eligible	Included (Funding is based on where the employee is at the end of the Performance Period)
Short or Long-term Disability	Eligible	Included*
Leave of Absence	Eligible	Included

\*STD/LTD earnings are not included in Eligible Earnings when determining the funding for BPA.

#### **BPA**

Eligible Earnings, include, but are not limited to, regular base pay, shift differential, beeper pay, catastrophe pay (CAT), rehabilitation pay, and overtime paid during the Performance Period. The funding is calculated by multiplying Eligible Earnings for the Performance Period times the target funding percent in Table 2 times the Business Performance Factor. The Business Performance Factor and target funding percentage used in funding the BPA pool are based on the department the participant is in at the end of the Performance Period.

**TABLE 2**

<b>Division</b>	<b>Target Funding</b>	<b>Minimum Funding</b>	<b>Maximum Funding</b>
Corp	2%	0%	4%
Life	3%	0%	7%
P&C	2%	0%	4%

All BPA awards are subject to managerial discretion. Awards may be adjusted down or eliminated entirely if performance or disciplinary issues warrant. If a manager chooses to decrease or not award a BPA, these remaining funds are moved to the IPA pool and may be used under the terms and conditions of the IPA Plan. In rare cases, a manager may have staff in cost centers with different target funding levels (see Table 2 above). In these instances, managers have discretionary authority to deviate from the funded amounts in order to ensure equitable distribution of incentive resources throughout his/her organization.

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**IPA**

A pool is established equal to 2.5% for Corporate and P&C, and 3.5% for Life, of annual base salaries as of December 31 (and available funds from remaining BPA dollars).

**TABLE 3**

Division	Funding
Corporate	2.5%
Life	3.5%
P&C	2.5%

All IPA awards are subject to management discretion. IPA awards are typically provided to recognize consistent, exceptional performance throughout the year.

Awards are \$1,000 or greater and should be rounded to the nearest \$100. Approximately 30 – 50% of eligible employees are anticipated to receive an IPA award.

**TABLE 4**

Division	Target Participation
Corporate	30-40%
Life	40-50%
P&C	35%

## 5. Administration.

### 5.1 Payout Dates

Awards granted under these programs will be made by the March 15 following the end of the Performance Period.

### 5.2 Employee Benefits

Participants in this Plan are also generally eligible to participate in a variety of employee benefit programs at The Hartford. Unless specifically provided otherwise by the terms of such employee benefit programs, amounts payable under this Plan will not be included in any calculation of benefits provided under any employee benefit program of The Hartford or any other subsidiary or affiliate of The Hartford.

### 5.3 Cross-participation

Participants are eligible to receive annual incentive compensation for services at the Company only in accordance with the terms and conditions of this Plan. If a participant transfers to a different position not eligible for BPA/IPA, the Participant may no longer participate in this Plan. The Participant may not participate simultaneously in this compensation Plan and any other annual incentive compensation Plan. If an employee is eligible to participate in a Sales Plan for part of the

Performance Period and the BPA/IPA for the remainder of the Performance Period, the employee is eligible to be considered to receive a pro-rated award.

**5.4 Changes/Modifications**

The BPA is subject to annual review. The Company reserves the right to terminate, modify or otherwise change the provisions of the Plan at any time. The Plan will continue to operate only as long as it is deemed to be consistent with and supportive of the Company's business objectives.

**5.5 No separate funding**

The Company does not establish any special or separate fund, or to make any other segregation of assets to provide for payments due under the terms of the Plan.

**5.6 No right to continued employment or to any payment**

Participation in the Plan in no way constitutes an employment contract conferring a right to continued employment. While the Company hopes that its employment relationship with employees will be mutually enjoyable and lasting, employees may terminate the employment relationship at any time, with or without cause, and the Company may do the same. Similarly, there is no entitlement to any payment under the Plan; all awards are at the discretion of the Company.

**5.7 Jurisdiction**

The Plan and all rights under it shall be construed in accordance with and governed by the laws of the State of Connecticut.

**6. Confidentiality.**

This document contains confidential and proprietary information. Employees may not disclose, copy or distribute this information, in whole or in part, to persons outside of the Company.